

FIRST REGULAR SESSION

SENATE BILL NO. 476

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CROWELL.

Read 1st time February 8, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

1681S.011

AN ACT

To repeal section 104.320, RSMo, and to enact in lieu thereof one new section relating to the establishment of medical benefit funds.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 104.320, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 104.320, to read as follows:

104.320. 1. For the purpose of providing retirement income and other
2 benefits to employees of the state, there is hereby created and established a
3 retirement system which shall be a body corporate and an instrumentality of the
4 state, which shall be under the management of a board of trustees herein
5 described, and shall be known as the "Missouri State Employees' Retirement
6 System". In the system shall be vested the powers and duties specified in
7 sections 104.010 and 104.320 to 104.800 and such other powers as may be
8 necessary or proper to enable it, its officers, employees, and agents to carry out
9 fully and effectively all the purposes of sections 104.010 and 104.320 to 104.800.

10 **2. Notwithstanding any provision of law to the contrary, the**
11 **system is also authorized and empowered to provide services in**
12 **connection with medical benefit funds established or maintained for**
13 **state employees, retirees, and their dependents who are participants in**
14 **a state medical plan administered by the Missouri consolidated health**
15 **plan established under section 103.005, RSMo, or other medical benefit**
16 **plans established or maintained by the state for its employees, retirees,**
17 **and their dependents. All such plans described in this section shall be**
18 **welfare plans referred to as "State Medical Plans". The services to be**
19 **provided by the system shall include, but not be limited to, the**
20 **investment of assets of such state medical plans. Such services to be**

21 provided by the system shall be provided under a trust agreement
22 between the board, as trustee, and the state medical plan, subject to
23 approval by the board of trustees of the Missouri state employees'
24 retirement system and the state medical plan. The system shall be
25 vested with the powers and duties specified in section 104.010 and
26 sections 104.320 to 104.1093 and such other powers as may be necessary
27 or proper to enable it, its officers, employees, and agents to carry out
28 fully and effectively all the purposes of this subsection. Whenever the
29 system is acting under section 104.010 and sections 104.320 to 104.1093
30 with respect to services provided under this subsection, the provisions
31 of such sections shall be read to apply to services provided under this
32 subsection and not to services provided under subsection 1 of this
33 section.

34 3. Notwithstanding any provision of law to the contrary, the
35 board shall set up and maintain a separate employee and retiree
36 medical benefit trust for each state medical plan that the system
37 contracts with under subsection 2 of this section in which shall be
38 placed contributions made to the board by the state of Missouri, either
39 directly or indirectly through the medical benefit plan, to fund benefits
40 payable under such state medical plan. No such contributions made
41 from the medical benefit plan's trust fund shall be transferred to the
42 board without the approval of the medical benefit plan's governing
43 body. All property, money, funds, investments, and rights so received
44 and accepted by the board together with proceeds and reinvestments
45 thereof shall be dedicated to and held in a separate trust, known as the
46 medical benefit trust, for the exclusive purpose of satisfying the
47 obligations of the applicable state medical plan to pay health care and
48 other medical benefits to employee and retiree participants and their
49 dependents under such state medical plan. At no time shall any part
50 of a medical benefit trust be used for or diverted to any purpose other
51 than for the exclusive purpose of satisfying the obligations of the
52 applicable state medical plan to provide health care and other medical
53 benefits to employee and retiree participants and their dependents,
54 including payment of benefits on behalf of such participants under such
55 state medical plan and payment of reasonable expenses of the medical
56 benefit trust. The board may establish one or more trust instruments
57 that set forth the terms and conditions for holding, investing, and

58 distributing assets of a medical benefit trust that are consistent with
59 subsection 2 of this section. Such medical benefit trust may be
60 irrevocable. A separate account for a state medical plan may be
61 established under a separate trust instrument. The board may
62 consolidate the retiree assets of one or more medical benefit trusts in
63 a single fund or funds, a "master trust", that may be commingled for
64 investment purposes, and subject to the applicable trust agreement,
65 may commingle the retiree assets of one or more medical benefit trusts
66 with assets of the system for investment purposes. In the event the
67 board commingles assets of one or more trusts for investment purposes,
68 it shall maintain separate bookkeeping accounts reflecting the separate
69 share in each investment pool of each participating trust. The board
70 shall have power to purchase, acquire, hold, invest, lend, lease, sell,
71 assign, transfer, and dispose of all property, rights, and securities and
72 enter into written contracts all as may be necessary or proper to carry
73 out the purposes of this subsection and subsection 2 of this
74 section. Whenever the system is acting under section 104.010 and
75 sections 104.320 to 104.1093 with respect to an account established
76 under this subsection, the provisions of such sections shall be read to
77 apply to an account provided under this subsection and not accounts
78 established under subsection 1 of section 104.440.

79 4. The board shall make such payments from a medical benefit
80 trust to or for the benefit of the participants in a state medical plan
81 and their dependents, at such time, in such manner, in such amounts,
82 in such form, and for such purposes as may be specified in one or more
83 directives by the state medical plan administrator authorized to direct
84 payment of benefits under such state medical plan from time to time or
85 as provided in a trust agreement governing such medical benefit trust,
86 and the board shall have no responsibility and shall be without liability
87 for any payment made under such direction. The board shall be under
88 no duty or obligation to make any inquiry or investigation as to
89 whether any direction is made under the provisions of any state
90 medical plan and shall not be responsible in any respect for the
91 administration of any state medical plan. Payment in response to such
92 direction shall be a complete discharge of the board of its
93 responsibility for the holding and safekeeping of such assets and any
94 assets paid over shall no longer constitute part of the medical benefit

95 trust.

96 5. The board shall invest the funds of a medical benefit trust in
97 the same manner as it invests funds of the retirement system as
98 permitted by sections 105.686 to 105.690, RSMo.

99 6. The board may authorize the executive director to assist with
100 programs and procedures pertaining to payroll for state employees and
101 any state employee benefits as requested by the office of administration
102 or other state agencies.

✓
Unofficial

Bill

Copy